

UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re) Case No. _____
)
) NOTICE OF MOTION FOR RELIEF
) FROM (Check all that apply):
) AUTOMATIC STAY IN A **CHAPTER 7/13** CASE
Debtor(s)) **CHAPTER 13** CODEBTOR STAY

- I. YOU ARE NOTIFIED that a Motion was filed by _____, the moving party, for (Check all that apply):

Relief from the automatic stay protecting the debtor(s) and debtor's property, as provided by 11 USC §362.

Relief from the stay protecting the codebtor, whose name and service address are: _____

and codebtor's property as provided by 11 USC §1301.

- II. A copy of the Motion is attached. The name and service address of the moving party's attorney (or moving party, if no attorney) are: _____

- III. If you wish to resist the Motion, you must, within 14 days of the service date shown below, file the following with the Clerk of the U.S. Bankruptcy Court [NOTE: if you mail or have a courier deliver the Response to the Court for filing, you must mail it or initiate the delivery sufficiently before the deadline so that it will actually be received at the Court on time.]

- A. A written response that states the facts supporting the opposition to the Motion by filling in the applicable "Response" portions on a copy of the original Motion. [NOTE: If the Response will be electronically filed, the Response must be prepared using the "fillable" pdf version of the original Motion unless the Motion was filed on paper and could not be electronically obtained from the movant];

And B. A fully completed Notice of Hearing using [Local Form #721](#), including the date and time of the hearing. Available hearing dates and times are posted on the Court's website at www.orb.uscourts.gov under the "Hearings" heading. If you do not have internet access, please call the Court at (503) 326-1500 or (541) 431-4000 and press "0" to obtain the required forms and hearing information from a Court clerk.

- IV. Failure to Respond and Serve Proper Notice of Hearing. If you fail to file a timely response and a proper Notice of Hearing, then either:

- A. The automatic stay will expire as to the debtor(s) pursuant to 11 USC §362(e) 30 days after the Motion was originally filed, and/or the stay protecting the codebtor will automatically expire pursuant to 11 USC §1301(d) 20 days after the date the Motion was originally filed;

Or B. The Court may sign an ex parte order, submitted by the moving party on [Local Form #720.90](#), granting relief from the debtor stay and/or codebtor stay.

Clerk, U.S. Bankruptcy Court

[NOTE: If the 5-digit portion of the Case No. begins with "3" or "4", mail to 1001 SW 5th Ave. #700, Portland OR 97204; OR if it begins with "6" or "7", mail to 405 E 8th Ave #2600, Eugene OR 97401.]

I certify that: (1) The Motion was prepared using the Court's "fillable" PDF version of [Local Form #720.80](#); and (2) that on _____ I served copies of this Notice and the Motion on the Debtor(s), any codebtor at the address listed above, Trustee, U.S. Trustee, members of any committee elected pursuant to 11 USC §705, and their respective attorneys.

Signature of Moving Party or Attorney

(OSB#)

UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re) Case No. _____
)
) (CHECK ALL APPLICABLE BOXES)
) Ch. 7/13 Motion for Relief from
) DEBTOR Chapter 13 CODEBTOR Stay
) Filed by Creditor:
)
) _____
Debtor(s)) *Response to Stay Motion filed by Respondent:*
) _____

1. **Debt, Default, Other Encumbrances, Description and Value of Collateral** *(To be completed by creditor)*

a. Description of collateral (car model, year, VIN, property address):

b. Amount of debt: \$_____ consisting of principal: \$_____ ; interest: \$_____ ; other:

c. Description, amount and priority of other encumbrances on collateral. If not known, include applicable information from debtor's schedules if available on PACER:

Total debt secured by collateral (total 1.b. + 1.c.): \$_____.

d. Value of collateral: \$_____.
Equity in collateral: \$_____, after deducting \$_____ liquidation costs.

e. Current monthly payment: \$_____.

f. If Chapter 13:

(1) \$_____ postpetition default consisting of (e.g., \$_____ payments, \$_____ late charges, \$_____ fees):

(2) \$_____ prepetition default consisting of _____ amounts specified in proof of claim, or, _____ consisting of:

g. If Chapter 7, total amount of default \$_____.

RESPONSE *(Identify specific items disputed and specify what you contend are the pertinent facts including why there is a postpetition default, if applicable) (to be completed by respondent):*

2. **Relief from stay should be granted because (check all that apply):** *(To be completed by creditor)*

- Lack of adequate protection because of failure to make sufficient adequate protection payments and lack of a sufficient equity cushion.
- Lack of insurance on collateral.
- No equity in the collateral and the property is not necessary for an effective reorganization.
- Failure of debtor to make Chapter 13 plan payments.
- Failure of debtor to make payments to secured creditor required by ¶4 of Chapter 13 plan.
- Other (describe):

RESPONSE *(Specify why relief from stay should be denied. If respondent proposes to cure a postpetition default, detail the cure by attaching a proposed order using Local Form (LBF) #720.90 available at www.orb.uscourts.gov under Forms/Local Forms) (to be completed by respondent):*

3. **Background** *(To be completed by creditor)*

- a. Date petition filed: _____ Current Chapter: ____ (7 or 13)
If 13, current plan date _____ Confirmed: Yes No
If 13, treatment of creditor's prepetition claim(s) in plan:

If 7, debtor has has not stated on Local Form (LBF) #521 or #521.05 that debtor intends to surrender the collateral.

- b. Creditor has a lien on the collateral by virtue of (check all applicable sections and also see ¶6 below):
Security agreement, trust deed or land sale contract dated _____, and, if applicable, an assignment of said interest to creditor. The security interest was perfected as required by applicable law on _____.
Retail installment contract dated _____, and, if applicable, an assignment of said interest to creditor. The security interest was perfected on the certificate of title on _____.
Other (describe):

RESPONSE *(Identify any disputed items and specify the pertinent facts) (to be completed by respondent):*

4. **Request for Relief from Codebtor Stay** (Only Chapter 13)

- a. _____, whose address is _____
_____, is a codebtor on the obligation described above, but is not a debtor in this bankruptcy.
- b. Creditor should be granted relief from the codebtor stay because (check all applicable boxes): codebtor received the consideration for the claim held by creditor, debtor's plan does not propose to pay creditor's claim in full, creditor's interest would be irreparably harmed by continuation of the codebtor stay as a result of the default(s) described above and/or because:

RESPONSE (Identify any disputed items and specify the pertinent facts) (to be completed by respondent):

5. Other Pertinent Information (To be completed by creditor, if applicable):

RESPONSE (Identify any disputed items and specify the pertinent facts) (to be completed by respondent):

6. Relief Requested (check all applicable sections): (To be completed by creditor)

Creditor requests relief from the automatic stay to allow it to foreclose its lien on the above identified collateral, and, if necessary, to take appropriate action to obtain possession of the collateral.

Creditor has a security interest in real property and requests relief from stay with respect to an act against such property and that the relief be binding in any other bankruptcy case purporting to affect such real property filed not later than 2 years after the date of the entry of an order granting this motion. (If you check this box, you must complete ¶5 above to support this request. If you do not do so, the Court will not grant relief binding in any other bankruptcy case.)

Creditor requests that the 14-day stay provided by FRBP 4001(a)(3) be waived based on the following cause:

Other (describe and explain cause):

RESPONSE (Identify any disputed items and specify the pertinent facts. If respondent agrees to some relief, attach a proposed order using Local Form (LBF) #720.90 available at www.orb.uscourts.gov under Forms/Local Forms) (to be completed by respondent):

7. **Documents:**

If creditor claims to be secured in ¶3.b. above creditor has attached to and filed with this motion a copy of the documents creating and perfecting the security interest, if not previously attached to a proof of claim.

If this case is a Chapter 13 case and the collateral as to which creditor seeks stay relief is real property, creditor has attached to and filed with this motion a postpetition payment history current to a date not more than 30 days before this motion is filed, showing for each payment the amount due, the date the payment was received, the amount of the payment, and how creditor applied the payment.

RESPONDENT requests creditor provide Respondent with the following document(s), if any marked, which are pertinent to this response:

Postpetition payment history if not required above.

Documents establishing that creditor owns the debt described in ¶1 or is otherwise a proper party to bring this motion.

Other document(s) (specific description):

CREDITOR/ATTORNEY

Signature: _____

Name: _____

Address: _____

Email Address: _____

Phone No: _____

OSB#: _____

RESPONDENT DEBTOR/ATTORNEY (by signing, the respondent also certifies that [s]he has not altered the information completed by creditor)

Signature: _____

Name: _____

Address: _____

Email Address: _____

Phone No: _____

OSB#: _____

RESPONDENT CODEBTOR/ATTORNEY (by signing, the respondent also certifies that [s]he has not altered the information completed by creditor)

Signature: _____

Name: _____

Address: _____

Email Address: _____

Phone No: _____

OSB#: _____

YOU ARE HEREBY NOTIFIED THAT THE CREDITOR IS ATTEMPTING TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

1
2 IN THE CIRCUIT COURT OF THE STATE OF OREGON
3
4 FOR THE COUNTY OF MULTNOMAH
5

6 SKORO HOMES, LLC, an Oregon limited
7 liability company,

8
9 Plaintiff,

10
11 vs,

12
13 BOB CARLSON, INC., an Oregon
14 corporation,

15
16 Defendant.
17

Case No. 16CV07704

COMPLAINT

(Breach of Contract)

ORS 21.160(1)(b)

Claim Amount: \$36,278.76

18
19 For its Claim for Relief against defendant Bob Carlson, Inc., plaintiff Skoro Homes, LLC
20 alleges:

21 (Breach of Contract)

22 1.

23 At all times material herein, plaintiff Skoro Homes, LLC has been a limited liability company
24 organized and existing pursuant to the laws of the State of Oregon and in good standing thereunder.
25 At all times material herein, plaintiff has been engaged in business under the assumed name "Skoro
26 Construction," which assumed business name is registered with the Oregon Corporation Division
27 in accordance with ORS 648.010. At all times material herein, plaintiff has been duly licensed as
28 a construction contractor pursuant to ORS 701.021.

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2.

At all times material herein, defendant Bob Carlson, Inc. has been a corporation organized and existing pursuant to the laws of the State of Oregon.

3.

On or about October 2, 2015, plaintiff and defendant entered into a written agreement ("the Subcontract") by which defendant undertook to perform certain labor and furnish certain materials in furtherance of the renovation of a commercial building known as the "Skoro Building" located at 6030 SE 52nd Avenue in Portland, Multnomah County, Oregon ("the Property"). A copy of the Subcontract is attached hereto as Exhibit "1" and is incorporated herein by this reference.

4.

Between October 2, 2015 and December 31, 2015, defendant performed labor and furnished materials in connection with the renovation of the Skoro Building. Defendant did not complete the work contemplated by the Subcontract, and abandoned the project.

5.

Defendant failed to provide and install the sheet metal that was included within the Subcontract scope of work. Due to the omission of the sheet metal, the interior of the building was damaged by the entry of rainwater. The costs incurred by plaintiff to remediate the damage caused by defendant's failure to complete the Subcontract scope of work are detailed in the invoice attached hereto as Exhibit "2" and incorporated herein by this reference. Those costs total \$16,526.00. Plaintiff is entitled to recover the sum last alleged from defendant.

6.

Defendant purchased materials from ABC Supply for installation on the Skoro Building.

1 Defendant failed to pay ABC Supply for those materials. Consequently, ABC Supply recorded a
2 construction lien against the Property to secure the receivable owed by defendant. Plaintiff paid
3 ABC Supply the sum of \$19,752.76 to satisfy defendant's account and to avert foreclosure of the
4 lien. Plaintiff is entitled to recover the sum last alleged from defendant.

5 7.

6 Plaintiff paid defendant the full amount of the Subcontract price. Plaintiff has performed all
7 other obligations and fulfilled all conditions on its part to be performed and fulfilled, except for those
8 that have been excused by defendant's breach or otherwise.

9 8.

10 If plaintiff is the prevailing party herein, plaintiff will be entitled to recover its reasonable
11 attorney fees from defendant pursuant to ¶ 23 of the Subcontract.

12 9.

13 In accordance with ORS 36.610(1), plaintiff waives the right to demand arbitration pursuant
14 to ¶ 22 of the Subcontract. If defendant appears herein and petitions this court to order arbitration
15 of plaintiff's claim, plaintiff consents to abatement of this action pursuant to ORS 36.625(6).

16 WHEREFORE, plaintiff prays for judgment against defendant in the amount of \$36,278.76
17 with interest thereon at the rate of nine percent (9%) per annum from the accrual of the obligation
18 until paid, and for plaintiff's costs and disbursements incurred herein.

19 Dated this 9 day of March, 2016.

20 SCOTT ♦ HOOKLAND LLP

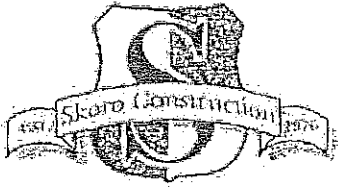
21 By: 

22 Thomas J. Murphy, O/B No. 783444

23 Of Attorneys for Plaintiff

24 Trial Attorney: Thomas J. Murphy

SUBCONTRACTOR AGREEMENT



Agreement Date: October 2, 2015

Project: Skoro Building

Between: Skoro Construction, hereinafter called the "Contractor"

And: Bob Carlson, Inc, hereinafter called the "Subcontractor"

Contract Amount: \$50,629.00 (Fifty thousand six hundred twenty nine 00/100 dollars)

Project Address: 6030 SE 52nd Ave Portland, OR 97206

Work of This Contract: The Subcontractor shall furnish all labor, materials and equipment and shall perform all work necessary and to the full satisfaction of the Contractor and Owner, the work as described in the Subcontractor's proposal and in accordance with the drawings and specifications of the project for the contract amount.

Description: Furnish and Install TPO roof system

Inclusions: Firestone 60 mil white TPO mechanically attached
FR 10 fire retardant slip sheet over plywood
Fully tapered insulation EPS
TPO coated clad metal flashing
TPO accessories
15 year manufacturer's NDL warranty

Project Documents; Allusa Architecture Plans

Sheet A0.0 Cover Sheet
Sheet A0.1 Site Plan & Details
Sheet A0.2 Site Plan & Details
Sheet A1.1 Plaza & Stormwater Details
Sheet A2.0 First Floor Plan
Sheet A2.1 Second Floor Framing
Sheet A3.0 Second Floor Plan
Sheet A3.1 Roof Framing Plan
Sheet A4.0 Roof Framing Plan
Sheet A5.0 Elevations
Sheet A5.1 Elevations
Sheet A6.0 Sections
Sheet A6.1 Sections
Sheet A7.0 Interior Elevations & Details

Exclusions: Window and door flashing, Plywood/framing, Tear off, Electrical, Plumbing, Interior protection Permits

EXHIBIT 1
PAGE 1 OF 8

Attachments:

1) General Provisions

- a) **Contract Documents.** The Contract Documents are enumerated in the contract between the Contractor and the Subcontractor that references and incorporates this Subcontract General Terms and Conditions.
 - b) **Defined Terms.** The terms "Agreement," "Contract Price," "Contract Documents," "Owner," "Project," and "Work" have the meaning used in the contract between the Contractor and the Subcontractor that references and incorporates this Subcontract General Terms and Conditions.
 - c) **Description and Scope of Work.** Subcontractor agrees to perform and complete the Work at the Project. Subcontractor agrees to perform and complete the Work in accordance with the Contract Documents for the Project and under the general direction of Contractor in accordance with Contractor's schedule. Nothing in the Contract Documents shall be construed to create a contractual relationship between persons or entities other than the Contractor and Subcontractor.
 - d) **Contract Price.** The Contractor shall pay the Contract Price to the Subcontractor for the satisfactory performance of the Work.
 - e) **Payment Terms.** The Subcontractor's applications for payment must be submitted to our office by the 20th of each month to be paid by the tenth day of the following month and shall be itemized and supported by substantiating data.
 - i). In consideration of all the covenants and conditions of the Contract Documents and the full, faithful, and prompt performance of all the terms and conditions of the Contract Documents, Contractor agrees to pay Subcontractor the Contract Price out of funds received from Owner for the Work performed by Subcontractor, and Subcontractor agrees to receive and accept the Contract Price as full compensation for doing all things required to complete the Work to the satisfaction of Owner, including all taxes.
 - ii) Payment will be made to Subcontractor for the amount of the Work actually performed and completed, as measured and certified to by Owner or its representative, which shall be accepted by Subcontractor as full compensation for furnishing all materials and for doing all work contemplated and embraced in the Contract Documents. If Subcontractor fails to invoice or otherwise indicate its contention as to the value of such work by a date five days in advance of the monthly date set forth Section 1. E. above, Contractor may estimate the value thereof.
 - iii) In the event Subcontractor falls behind schedule due to cause of Subcontractor and Subcontractor does not take action necessary to place the job back on schedule, Contractor may withhold payments due or portions of payments until Subcontractor has placed the project back on schedule.
 - iv) The determination made by Contractor of quantities of the Work performed and to be paid for shall be binding and conclusive, and shall conclusively establish the amount of the Work done by Subcontractor. No compensation shall be paid Subcontractor for work not approved, accepted, and paid for by Contractor, and Subcontractor will make no claims against Contractor based on any estimates or calculations other than those made by Owner and for which payment has been made by Owner to Contractor. It is specifically agreed that Contractor's actual receipt of payment from Owner for Subcontractor's Work is a necessary condition precedent to all partial and final payments by Contractor to Subcontractor.
 - v) On the completion and acceptance of the Project and payment therefor in full by Owner, Subcontractor shall be paid the remaining amount due Subcontractor under the Contract Documents. All prior payments shall be subject to correction in the final payment. Final payment as herein provided shall release Contractor from any further obligation whatsoever in respect to the Contract Documents. Subcontractor shall, as a condition precedent to final payment, execute and deliver to Contractor a full and valid release and complete discharge of and from any and all claims and demands whatsoever for all matters arising out of, or in any manner connected with or founded on, the Contract Documents, the Work, or the Project.
- 2) **Schedule of Work.** Time is of the essence. The Contractor shall have the right to decide the time, order and priority in which the various portions of the Work (together, the "Schedule of Work") shall be performed and all other matters relative to the timely and orderly conduct of the Work. The Contractor will provide a written Schedule of Work to Subcontractor at the notice address shown herein via U.S. Postal Service. The commencement of Work shall constitute Subcontractor's acceptance of all starting points necessary for the completion of work. Subcontractor shall proceed with work from these points.
 - 3) **Changes.** Without nullifying this Agreement, Contractor may order changes in writing; and Subcontractor shall make any and all changes in the Work. Adjustment in the Contract Price or the Subcontractor's time, if any, resulting from such change shall be set forth in a Subcontractor's Change Order. No such adjustments shall be made for any such changes performed by Subcontractor that

have not been ordered or authorized by Contractor.

4) **Subcontractor's Responsibility.** In addition to other obligations contained herein, subcontractor agrees to the following:

- a) **Duty to Be Bound.** Subcontractor agrees to be bound by the terms of the general or prime contract between the Owner and Contractor, construction regulations, general conditions, plans and specifications, and any and all other contract documents, if any exist, insofar as applicable to this Agreement, and that portion of the Work herein described to be performed by Subcontractor.
 - i) **Schedule Changes.** The Subcontractor recognizes that changes will occur in the Schedule of Work and agrees to comply with such changes.
 - ii) **Lower-Tier Subcontractors Bound.** The Subcontractor agrees to bind lower-tier subcontractors to the terms of the Contract Documents and shall make available to its lower-tier subcontractors those Contract Documents which are binding on the lower-tier subcontractors.
- b) **Workmanship.** Every part of Subcontractor's Work shall be executed in strict compliance with the Contract Documents in the most sound, workmanlike and substantial manner. All materials used in the Subcontractor's Work shall be furnished in ample quantities to facilitate the proper and expeditious execution of the Work, and shall be new except such as may be expressly provided in the Contract Documents to be otherwise.
- c) **Labor and Materials.** Subcontractor shall furnish all the labor, materials, equipment and services, including, but not limited to, competent supervision, shop drawings, templates, tools, and scaffolding as are necessary for the proper performance of the Work. All items provided by Subcontractor shall meet OSHA requirements.
- d) **List of Lower-Tier Subcontractors and Suppliers.** Subcontractor shall provide a list of proposed lower-tier Subcontractors and Suppliers, be responsible for taking field dimensions, providing tools, ordering materials and all other actions as required to meet the scheduled work.
- e) **Prevailing Wage Rates.** If prevailing wage rates are required on the Project, Subcontractors will comply with that requirement and will provide certified payroll sheets at all times required by Contractor. Subcontractor will also be adequately bonded with regard to prevailing wage if required.
- f) **Cooperation and Coordination.** Subcontractors shall cooperate with Contractor and all others whose work may interfere with the Work; specifically note and immediately advise Contractor of any such interference with the Work; and participate in the preparation of coordination drawings and work schedules in areas of congestion.
- g) **Assignment of Subcontractor's Rights - Manufacturer's Warranties.** Subcontractor assigns to Owner and/or Contractor all of Subcontractor's rights relating to manufacturer's warranties in items installed in the Project, the design, designer, engineer or engineering used in relation to the Project. Contractor and/or Owner assume no liability with regard to those individuals or companies retained by Subcontractor.
- h) **Clean-up and Waste Materials.** Subcontractor shall provide clean-up and removal of all waste materials and rubbish and agrees to maintain the project site in an orderly condition during the construction period. Upon completion, Subcontractor shall remove all the Subcontractor's materials and equipment and shall leave the project site in a neat and clean condition.
- i) **Inspections.** Subcontractor shall notify Contractor when portions of the Work are ready for inspection. The Subcontractor shall at all times furnish Contractor and its representatives adequate facilities for inspecting materials, at the site or any place where materials under the Contract Documents may be in the course of preparation, process, manufacture or treatment.
- j) **Protection of the Work.** Subcontractor shall maintain a safe work site for its employees. Subcontractor shall take all necessary precautions to properly protect the Work and the work of others from damage caused by the Subcontractor's Operations. Should the Subcontractor cause damage to the Work or property of another, the Contractor, or others, the Subcontractor shall promptly remedy such damage to the satisfaction of the Contractor, or the Contractor may so remedy and deduct the cost thereof from any amounts due or to become due to the Subcontractor.
- k) **Permits, Fees and Licenses.** Subcontractor shall give adequate notices to authorities pertaining to Subcontractor's work and secure and pay for all permits, fees, licenses, assessments, inspections and taxes necessary to complete the Work in accordance with the Contract Documents. To the extent obtained by the Contractor under the Contract Documents, the Subcontractor shall be compensated for additional costs resulting from laws, ordinances, rules, regulations and taxes enacted after the date of the Agreement. The Subcontractor warrants it shall keep its license required by the Construction Contractors Board ("CCB License") in effect throughout the duration of this Agreement.
- l) **Subcontractor's Bond.** The Subcontractor shall furnish to the Contractor, as the named Obligor, appropriate surety bonds to secure the faithful performance of the Subcontract Work and to satisfy all Subcontractor payment obligations related to the Subcontract Work. Such bonds shall be issued by a surety admitted in Oregon and shall be acceptable to the Contractor, which acceptance shall not be withheld without reasonable cause.

- m) **Warranty.** Subcontractor guarantees and warrants its Work against all deficiencies and defects in material and/or workmanship and as called for in the Contract Documents. Subcontractor agrees to immediately satisfy such warranty and warranty obligations which appear within the guaranty and warranty period established in the Contract Documents without cost to the Owner or Contractor. If no warranty is required of the Contractor in the Contract Documents, then the Subcontractor shall warrant its work as described above for the period of one year from the date(s) of substantial completion of all or a designated portion of the Subcontractor's Work or acceptance or use by the Contractor or Owner of designated equipment, whichever is sooner. The Subcontractor further agrees to execute any special warranties that shall be required for the Work prior to final payment.
 - n) **Alcoholic Beverages, Drugs and Animals.** Subcontractor shall not have any alcoholic beverages, controlled substances, or animals on the Project at any time. Subcontractor shall not play radios or music without Contractor's consent.
 - o) **No Smoking.** Subcontractor shall not allow smoking on any portion of the Project and shall not allow debris from Smoking to be left on or near the property.
 - p) **Safety.** The Subcontractor is responsible to prevent accidents on or in the vicinity of the Project. Subcontractor shall establish a safety program implementing safety measures, policies and standards conforming to those required by governmental/quasi-governmental authorities having jurisdiction. Subcontractor shall supply its employees with an OSHA approved first aid kit and shall be responsible for dispensing first aid supplies. Subcontractor shall pay all fines and penalties assessed against Contractor for Subcontractor's failure to meet all OSHA or other governmental rules or regulations. Contractor's failure to stop Subcontractor's unsafe practices shall not relieve Subcontractor from responsibility hereunder. Subcontractor shall indemnify Contractor for fines, damages or expenses incurred by the Contractor because of the Subcontractor's failure to comply with safety requirements without Contractor's consent.
 - q) **Materials Safety.** To the extent that the Contractor is not obligated by the Contract Documents or by law to perform work which involves pollutants, hazardous or toxic substances, hazardous waste, asbestos or PCB'S, the Subcontractor likewise is not obligated. To the extent the Contractor has obligations under the Contract Documents or by law regarding such materials within the scope of the Subcontractor's work, the Subcontractor likewise shall have the same obligations.
 - r) **Subcontractor Assignment of Work.** The Subcontractor shall not assign the whole nor any part of the Subcontractor's Work without prior written approval of the Contractor. The Contractor's approval shall not be unreasonably withheld. Lower-tier Subcontractors and suppliers previously approved by the Contractor may be approved in advance by the Contractor upon submittal by the Subcontractor in writing of a list of lower-tier subcontractors and suppliers to Contractor that is signed and dated by the Contractor.
 - s) **Subcontractor's Tax ID; W-9.** The Subcontractor shall provide the Contractor a completed IRS Form W-9 within 15 days of the execution of the Agreement. The Subcontractor shall provide the Contractor an updated Form W-9 within 15 days of a change of any information required by Form W-9.
- 5) **Independent Contractor - Worker's Compensation Insurance.** The Owner and/or Contractor are not employers of any person working on the project who is working at the request of the Subcontractor. The contract is between Contractor and Subcontractor, and Subcontractor certifies that it is an independent contractor. Worker's Compensation Insurance (or the equivalent) in full compliance with the laws of the State of Oregon and/or in the State where work is being done will be provided for all workers employed by the Subcontractor by the Subcontractor on the project; or, in the alternative, Subcontractor will contract with independent contractors. Subcontractor's Compensation Insurance shall be in the form or amount adequate to comply with the rules and laws of the State of Oregon and/or the State of employment. The Worker's Compensation policy shall contain endorsements providing (1) waiver of subrogation in favor of Contractor and Project Owner, where allowed by law, and (2) thirty (30) days written notice to Contractor in the event of cancellation or material reduction in coverage.
- 6) **General Liability Insurance.** Prior to the start of Subcontractor's Work, Subcontractor shall procure Comprehensive General Liability Insurance including completed operations on an Occurrence Basis with a \$1,000,000 Each Occurrence and \$2,000,000 Aggregate. Commercial General Liability Insurance shall be procured with a \$1,000,000 Each Occurrence, \$2,000,000 General Aggregate, \$2,000,000 Products/Completed Operations Aggregate and \$1,000,000 Personal and Advertising Injury Limit. Professional Liability Insurance shall be procured with \$1,000,000 Each Occurrence and \$2,000,000 General Aggregate. Pollution Liability Insurance shall be procured with \$1,000,000 Each Occurrence and \$2,000,000. Excess or Umbrella Liability Insurance shall be procured with a \$3,000,000 limit. The Subcontractor shall provide a certificate of such coverage to the Contractor. General Liability Insurance shall be written with an insurance carrier that is rated by A.M. Best's Ratings as A- or better and licensed to do business in the State where work is being done by Subcontractor. A list of all exclusions and/or limitations of coverage pertaining to the work being done including the ISO form numbers shall be provided on the certificate. If the exclusion is not a standard ISO form, but rather a specific company form, a copy of this exclusion must be attached to the certificate. Subcontractor must also name Contractor as additional insured and attach an ISO Form CG 20 10 (1/85) edition or CG 20 37 (10/01) or its equivalent. Subcontractor's work and policy shall provide a Waiver of Subrogation and be based on a Primary and Non-Contributory basis in favor of the Contractor. The certificate shall specify that 30 days written notice will be provided in the event of cancellation or material reduction in coverage. Claims Made or Modified Occurrence coverage is not acceptable. Subcontractor agrees and understands that it is the subcontractor's sole responsibility to deliver proper said additional insured endorsements or their insurance company's equivalent of said forms from their insurance agent or representative to Contractor prior to commencing work.

- 7) **Business Auto Liability Insurance.** In addition to other insurance requirements contained in this Agreement, Subcontractor shall prior to start of Subcontractor's Work procure a Business Comprehensive Automobile Liability Insurance policy with limits of not less than \$1,000,000. Each Occurrence Combined Single Bodily Injury and Property Damage including owned, hired, borrowed and non-owned automobiles. Subcontractor shall provide a certificate for such coverage to Contractor which shall specify that 30 days written notice will be provided in the event of cancellation or material reduction in coverage.
- 8) **Cancellation, Renewal or Modification.** The Subcontractor shall maintain in effect all insurance coverage required under this Agreement at the Subcontractor's sole expense and with insurance companies acceptable to the Contractor. All insurance policies shall contain a provision that required policies shall not be cancelled or neither renewed, nor restrictive modifications added, until at least thirty (30) days prior written notice has been given to the Contractor. Certificate of insurance or certified copies of policies acceptable to the Contractor shall be filed with the Contractor prior to the commencement of the Subcontractor's Work.
- 9) **Failure to Provide Insurance.** If Subcontractor fails to purchase and maintain any insurance specified in this Agreement, Contractor shall have the right, but not the obligation, to purchase such insurance on the Subcontractor's behalf and at Subcontractor's cost.
- 10) **Correcting Deficiencies.** Assuming that the Contract Documents do not provide otherwise, any deficiencies in workmanship or materials shall be immediately corrected in accordance with those performance standards and responsibilities currently used in the State of Oregon and/or the State in which the Project is located at the time this Agreement is signed. In the event of defects or damage of an emergency nature (i.e. water leakage or other defects which may lead to further damage if not promptly corrected) telephone notice to correct these deficiencies shall be deemed sufficient. All other deficiencies shall be delivered in writing to the Subcontractor by U.S. Mail, personal delivery, facsimile or email.
- 11) **Undiscovered Conditions/Environmental Hazards.** Unless otherwise disclosed, Contractor has no knowledge of any possible adverse environmental conditions affecting the real property herein, nor are any suspected. Contractor makes no warranties as to the condition of the real property herein, or any existing structures. In instances where undiscovered conditions or hazardous substances may be discovered during construction, progress of the improvement shall stop for whatever evaluation, determination, or correction process may be required by building or environmental laws in effect at that time.
- 12) **Notice to Cure.** If Subcontractor refuses or fails to supply enough properly skilled workers, proper materials, or maintain the Schedule of Work, or if it fails to make prompt payment for its workers, lower tier subcontractors or suppliers, disregards laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, or otherwise is guilty of a material breach of a provision of this Agreement, Subcontractor shall be deemed to be in default of this Agreement. If the Subcontractor fails within forty-eight hours after receipt of written notice to commence and continue satisfactory correction of such default with diligence and promptness, then the Contractor without prejudice to any rights or remedies, shall have the right to any or all of the following remedies:
 - a) Supply such number of workers and quantity of materials, equipment and other facilities as Contractor deems necessary for the completion of Subcontractor's Work; or any part thereof which Subcontractor has failed to complete or perform after the aforesaid notice, and charge the cost thereof to Subcontractor, who shall be liable for the payment of same, including reasonable overhead, profit and attorney's fees, costs and expenses;
 - b) Contract with one or more additional contractors, to perform such part of Subcontractor's Work as the Contractor shall determine will provide the most expeditious completion of the total work and charge the cost thereof to the Subcontractor under Section 12A; or
 - c) Withhold payment of any monies due the Subcontractor pending corrective action in amounts sufficient to cover losses and compel performance to the extent required by and to the satisfaction of the Contractor; and
 - d) In the event of an emergency affecting the safety of persons or property, the Contractor may proceed as above without notice.
- 13) **Termination by Contractor.** If Subcontractor fails to commence and satisfactorily continue correction of a default within forty-eight (48) hours after receiving notice, then Contractor may in lieu of or in addition to actions allowed herein, issue written notice by certified mail, to Subcontractor. Such notice shall state that if Subcontractor fails to commence and continue correction of a default within forty-eight (48) hours from the date of notice, the Agreement deemed terminated and Contractor may use any materials, implements, equipment, appliances or tools furnished by or belonging to Subcontractor to complete Subcontractor's Work. Contractor may also furnish those materials, equipment and/or employ such workers or subcontractors as Contractor deems necessary to maintain the orderly progress of the Work. All of the costs incurred by Contractor in so performing the Subcontractor's Work, including reasonable overhead, profit and attorney fees, shall be deducted from any monies due or to become due Subcontractor. Subcontractor shall be liable for the payment of any amount by which such expense may exceed the unpaid balance of the subcontract price.
 - a) **Use of Subcontractor's Equipment.** If the Contractor performs Work under this Section or subcontracts such Work, the Contractor or the other subcontractors shall have the right to take and use any materials, implements, equipment, appliance or tools furnished by, or belonging to the Subcontractor and located at the Project site.

b) Bankruptcy.

- i) **Termination Absent Cure.** If Subcontractor files a petition under the Bankruptcy Code, the Agreement shall terminate if the Subcontractor or the Subcontractor's trustee rejects the Agreement or, if there has been a default, the Subcontractor is unable to give adequate assurance that the Subcontractor will perform as required by this Agreement or otherwise is unable to comply with the requirements for assuming this Agreement under the applicable provisions of the Bankruptcy Code.
 - ii) **Interim Remedies.** If the Subcontractor is not performing in accordance with the Schedule of Work at the time a petition in bankruptcy is filed, or at any subsequent time, the Contractor, while awaiting the decision of the Subcontractor or its trustee to reject or to assume this Agreement and provide adequate assurance of its ability to perform, may avail itself of such remedies under this Section as are reasonably necessary to maintain the Schedule of Work. The Contractor may offset against any sums due or to become due the Subcontractor all costs incurred in pursuing any of the remedies provided including, but not limited to, reasonable overhead, profit and attorney's fees. The Subcontractor shall be liable for the payment of any amount by which costs incurred may exceed the unpaid balance of the Subcontract amount.
- 14) **Suspension by Owner.** Should the Owner suspend its contract with the Contractor or any part which includes the Subcontractor's Work, Contractor shall so notify Subcontractor in writing and Subcontractor shall immediately suspend Subcontractor's Work. In the event of such Owner suspension, Contractor's liability to Subcontractor is limited to the extent of Contractor's recovery on the Subcontractor's behalf under the Contract Documents. Contractor agrees to cooperate with the Subcontractor, at Subcontractor's expense, in the prosecution of any Subcontractor claim arising out of an Owner suspension and to permit Subcontractor to prosecute said claim, in the name of Contractor, for the use and benefit of Subcontractor.
- 15) **Termination by Owner.** Should Owner terminate its contract with the Contractor or any part which includes the Subcontractor's Work, Contractor shall notify Subcontractor in writing and this Agreement shall be terminated and Subcontractor shall immediately stop Subcontractor's Work, follow all Contractor's instructions, and mitigate all costs. In the event of such Owner termination, Contractor's liability to Subcontractor is limited to the extent of the Contractor's recovery on Subcontractor's behalf under the Construction Documents.
- 16) **Suspension by Contractor.** Contractor may order Subcontractor in writing to suspend, delay or interrupt all or any part of Subcontractor's Work for such period of time as may be determined to be appropriate for the convenience of Contractor. Phased or interrupted Work when required shall not be deemed a suspension of Work. Subcontractor shall notify Contractor in writing within ten (10) working days after receipt of Contractor's order of the effect of such order upon Subcontractor's Work, and the Contract Price or Schedule of Work. The parties shall adjust the Contract Price or time for performance using a Subcontract Change Order. No claim under this provision shall be allowed for any costs incurred more than ten working days prior to Subcontractor's notice to the Contractor. Neither the Contract Price nor the Schedule of Work shall be adjusted under this provision for any suspension, delay or interruption to the extent that performance would have been so suspended, delayed, or interrupted by the fault or negligence of Subcontractor.
- 17) **Indemnification.** To the fullest extent permitted by law, Subcontractor shall indemnify and defend (at Subcontractor's sole cost and expense and with legal counsel approved by Contractor and/or Project Owner, which approval shall not be unreasonably withheld), protect and hold harmless Contractor and/or Project Owner, all subsidiaries, divisions and affiliate companies of Contractor and/or Project Owner, and all of such parties, representatives, partners, designers, officers, directors, shareholders, employees, consultants, agents, successors and assigns, and any lender of Owner with an interest in the project (collectively, "Indemnified Parties"), from and against any all claims (including, without limitation, claims for bodily injury, sickness, disease, death or damage to property), demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs, and all other professional, expert or consultant's fees and costs and/or Project Owner's general and administrative expenses of every kind and nature whatsoever (individually, a "Claim"; collectively, "Claims") which may arise from or in any manner relate (directly or indirectly) to any work performed or services provided under this Agreement (including without limitation, defects in workmanship or materials and/or design defects (if the design originated with Subcontractor) or Subcontractor's presence or activities conducted on the Project (including, without limitation, the negligent and/or willful acts, errors and/or omissions of Subcontractor, its principals, officers, agents, employees, vendors, suppliers, consultants, subcontractors, anyone employed directly or indirectly by any of them or for whose acts they may be liable or any or all of them); regardless of any active or passive negligence or strict liability of an Indemnified party. Subcontractor understands and acknowledges that the indemnification obligation hereunder is intended to constitute a specific indemnity under the laws of the State of Oregon or the State where work is being done and includes claims arising from active or passive negligence of Indemnified Parties. Notwithstanding the foregoing, nothing herein shall be construed to require Subcontractor to indemnify the Indemnified Parties from any claim arising from the sole negligence or willful misconduct of the Indemnified Parties. The indemnification obligation under this Section shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Subcontractor under worker's compensation acts, disability benefit acts or other employee benefit acts.
- 18) **Duty to Defend.** The duty to defend hereunder is wholly independent of and separate from the duty to indemnify and such duty to defend exists regardless of any ultimate liability of Subcontractor. Such defense obligation shall arise immediately upon presentation of a Claim by any party and written notice of such Claim being provided to Subcontractor. Payments to Subcontractor by any Indemnified Party or the payment or advance of defense costs by any Indemnified party shall not be a condition precedent to enforcing such Indemnified Party's rights to indemnification hereunder. Subcontractor's indemnification obligation hereunder shall survive the expiration or earlier termination of this Agreement until such time as action against the Indemnified Parties for any such

claim hereunder is fully and finally barred by the applicable statute of limitations or statute of repose. Subcontractor's liability for indemnification hereunder is in addition to any liability Subcontractor may have to Contractor and/or Owner for a breach by Subcontractor of any of the provisions of this Agreement. Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit Subcontractor's indemnification obligation or other liability hereunder. The terms of this Agreement are contractual and the result of negotiation between the parties hereto. Accordingly, any rule of construction of contracts that ambiguities are to be construed against the drafting party shall be employed in the interpretation of this Agreement.

- 19) **Compliance with Laws.** Subcontractor agrees to be bound by, and at its own cost, comply with all federal, state and local laws, ordinances, and regulations (hereinafter collectively referred to as "laws") applicable to Subcontractor's Work, including but not limited to equal employment opportunity, minority business enterprise, women's business enterprise, disadvantaged business enterprise, safety, and all other laws with which the Contractor must comply according to the Contract Documents. Subcontractor shall be liable to Contractor and Owner for all loss, cost and expense attributable to any acts of commission or omission by Subcontractor, its employees and agents resulting from the failure to comply therewith, including but not limited to any fines, penalties or corrective measures.
- 20) **Contract Interpretation.**
- a) The Contract Documents shall be governed by the laws of the State of Oregon.
 - b) The partial or complete validity of any one or more provisions of the Contract Documents shall not affect the validity or continuing force and effect of any other provisions in the Contract Documents. The failure of either party hereto to insist, in any one or more instances, upon the performance of any of the terms, covenants or conditions of the Contract Documents, or to exercise any right in the Contract Documents, shall not be construed as waiver or relinquishment of such term, covenant, condition or right as respects further performance.
 - c) The Contract Documents are solely for the benefit of the parties and represent the entire and integrated agreement between the parties and supersedes all prior negotiations, representations, or agreements either written or oral.
- 21) **Disputes.** If any dispute or difference shall arise between Contractor and Subcontractor with respect to any matter or thing arising out of, or in any way relating to the Contract Documents, Work shall not cease. *Time is of the essence in the performance of the conditions of this Agreement.*
- 22) **Arbitration Required/Mediation First Option.** Any dispute or claim that arises out of or that relates to the Contract Documents, or to the interpretation or breach thereof, or to the existence, scope, or validity of the Contract Documents or the arbitration agreement, shall be resolved by arbitration in accordance with the then effective arbitration rules of and by filing a claim with Arbitration Service of Portland, Inc., and judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof. The parties acknowledge that mediation helps parties settle their dispute and any party may propose mediation whenever appropriate through Arbitration Service of Portland or any mediator selected by the parties. The arbitration shall take place in the County in which the subject real property is located.
- 23) **Dispute Resolution Expenses.** If this Agreement is referred to collection, placed in the hand of an attorney for collection or resolution of any dispute arising directly or indirectly hereunder, and resolved nonjudicially, the Subcontractor shall pay the Contractor's fees, including attorney fees, incurred if an action or suit is instituted to enforce any of the terms of this Agreement, or if any dispute is referred to the State regulatory board or to another administrative body, or to arbitration, the party not prevailing agrees to pay all of the prevailing party's court costs, administrative body costs, arbitration expenses, attorney fees, costs, and disbursements, including but not limited to expert witness and deposition expenses, as well as such sums, if any, that the court hearings officer, or arbitrator may adjudge reasonable as attorney fees at arbitration, administrative body hearing, trial or on appeal, in addition to all sums provided by law.
- 24) **Successors.** This Agreement is personal to the parties hereto. Neither Contractor nor Subcontractor shall assign this Agreement without the written consent of the other, and such consent shall not be unreasonably withheld. The provisions of this Agreement shall be binding upon the heirs, assignees, or other successors of the parties, and shall survive the conveyance of a deed without merger therein.

The signature of each of the Parties below indicates that Party has read and reviewed this document.

Contractor:

Skoro Construction
PO Box 38
Boring, OR 97009
Tel: 503-740-7304

Subcontractor:

Bob Carlson, Inc
PO Box 63
Hillsboro, OR 97123
503-640-3623

EXHIBIT 1
PAGE 7 OF 8

By: Richard S Barreras Jr.

Printed Name Richard S Barreras Jr.

Title: Secretary/Treasurer

Date: 10/2/15

By: MATE SKORO

Printed Name MATE SKORO

Title: Managing Member

Date: 10/8/15

Notice to the Contractor and the Subcontractor shall be given at the above shown addresses. Notice shall be deemed received on the third day after mailing via U.S. Postal Service, upon receipt if by personal delivery and upon completion of fax if by facsimile or by email.

EXHIBIT 1
PAGE 8 OF 8

JOB INVOICE



SKORO CONSTRUCTION

PO Box 38

Boring, OR 97009

Tel 503-740-7304

male@skorohomes.com

CCB #157358

Date: January 21, 2016

Job Address: 6030 SE 52nd Ave (Skoro Building)

Cost to remedy unfinished work and damages caused by Bob Carlson Roofing	
Sheet metal to cover open areas that Bob Carlson was paid for but never completed	\$ 8,520.00
Water damage cause by sheet metal not being installed in a timely manner;	
Remove and dispose of water soaked insulation in the upper floor area (approx 3,916 sq ft)	\$ 1,250.00
Drywall all walls and have mold sprayed and removed	\$ 2,750.00
Re-insulate second floor walls	\$ 2,506.00
Reclean second floor	\$ 500.00
Supervision	\$ 1,000.00
Thank you for your business	
TOTAL \$ 16,526.00	

Marion Skoro

Owner

EXHIBIT 2

PAGE 1 OF 1

EXHIBIT 1 - PAGE **12** OF 12

BREACH OF CONTRACT COMPLAINT
Owner or Primary Contractor

THIS SECTION FOR OFFICE USE ONLY

File Number

License Dates

90-day Period

License Type

Complaint Type

1. Person Making Complaint Name Thomas J. Murphy, Attorney			2. Complaint Against Name		
Business Name (If Applicable) Skoro Homes, LLC			Company Bob Carlson, Inc.		CCB # 5113
Mailing Address P.O. Box 23414			Mailing Address P.O. Box 63		
City Tigard		State OR	Zip Code 97281		City Hillsboro
Home Phone ()		Work Phone (503) 620-4540	Cell Phone ()		
Email Address: tjm@scott-hookland.com			Email Address:		
Check this box if you are a licensed contractor <input checked="" type="checkbox"/> If you checked the box, what is your CCB # 157358			5. Nature of Complaint <input type="checkbox"/> Complaint by Owner <input type="checkbox"/> Complaint by Owner -- Construction Lien Filed <input checked="" type="checkbox"/> Complaint by Primary Contractor against Subcontractor Note: DO NOT USE THIS FORM if you are a material/equipment supplier, a subcontractor, or an employee.		
3. Job Site Address Street 6030 SE 52nd Avenue			6. Other Filings <input type="checkbox"/> Check this box if other CCB complaint(s) have been filed affecting this property. (CCB File No.(s)) <input checked="" type="checkbox"/> Check this box if this issue has been submitted to a court or arbitration for determination or resolution, and attach details.		
City Portland		State OR	Zip Code 97206		
4. Contract <input type="checkbox"/> Oral (Submit checks & invoices to verify contractual relationship) <input checked="" type="checkbox"/> Written (Complete copy of contract must be attached)			7. Information Notice <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown If you are an owner, did your contractor give you an Information Notice to Owner About Construction Liens?		
Contract Date 10/02/15	Total Contract Amount \$ 50,629.00	Total Paid to Contractor \$ 50,629.00	8. Consumer Notification <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown If you are an owner, did your contractor give you the Consumer Protection Notice form?		
Date Work Started 10/2/15	Date Contractor Ceased Work 12/31/15		9. Notice of Procedure <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown If you are an owner, did your contractor give you the Notice of Procedure form?		
What was to be done on the contract (for example, build house, install a roof): Furnish and Install TPO Roof System			10. Pre-Complaint Notice: Date sent: January 21, 2016 You must include a copy of the notice and proof of certified mailing.		
For New Home Construction Only Date structure was completed			Date of Actual Occupancy		
Complaint Items: List your breach of contract complaint items on the second page of this form.					

I certify that this complaint form with all attachments are true, complete, and correct to the best of my knowledge and belief.

Date: April 27, 2016 Signature

Thomas J. Murphy
OSB NO. 783111

(Page 2)

File Number

EXHIBIT 2 - PAGE 2 OF 14

BREACH OF CONTRACT COMPLAINT

Owner or Primary Contractor

(Page 3)

FOR OFFICE USE ONLY

F. Number

A. Certification of Structure Type and Size

Indicate the type of structure that is located at the job site where the work that is the subject of this complaint was performed.

Check only one box below:

- ☐ 1. **Residential structure** means a residence that is a site-built home; a structure that contains one or more dwelling units and is four stories or less; a condominium, rental residential unit or other residential dwelling unit that is part of a larger structure (if the property interest in the unit is separate from the property interest in the larger structure); a modular home constructed off-site; a manufactured dwelling; or a floating home. An appurtenance (such as a sidewalk, driveway, deck, fence, garage, or shop building) to one of these structures is also considered part of a residential structure.
- ☐ 2. **Small commercial structure** means: (1) A structure that is not a residence with a ground area of 10,000 square feet or less and a height from the top surface of the lowest flooring to the highest interior overhead finish of the building of 20 feet or less; (2) an appurtenance (such as a sidewalk, driveway, deck, or fence) to one of these structures; (3) a structure that is not a residence that is a leasehold, rental, or other unit and that is part of a larger structure, if the unit has a ground area of 12,000 square feet or less and a height from the top surface of the lowest flooring to the highest interior overhead finish of the unit of 20 feet or less; or (4) A structure of any size that is not a residence for which the contract price of all construction to be performed on the structure does not total more than \$250,000.
- ☒ 3. **Large commercial structure** means any structure not fitting the above definitions. This includes work on a street, a public works project, an apartment or condominium building more than four stories high, a structure not used as a residence that is more than 10,000 square feet in ground area or more than 20 feet high, or a leasehold or rental unit in a larger structure not used as a residence that is more than 12,000 square feet in ground area or more than 20 feet high.

B. Directions To The Job Site

Provide written directions or draw a simple site location map below and return this form to the Construction Contractors Board with your complaint. Your directions or map should begin with an exit from a major highway. You may attach additional sheets if needed.

NOTE: Failure to provide clear directions may result in a delay in processing of your complaint.

Take I-5 North to I-205 N via Exit 288 toward Oregon City;

Take Exit 17 (Foster Road); turn left onto Foster Road;

Turn slight left onto SE 19th Avenue;

Turn slight left onto SE 90th Avenue;

Turn slight right onto SE Woodstock Blvd.;

Keep left at the fork to continue on SE Woodstock Blvd.;

Turn left onto SE 52nd Avenue;

6030 SE 52nd Avenue, Portland, Oregon is on the left.

See attached Mapquest directions for further details.

SUBCONTRACTOR AGREEMENT



Agreement Date: October 2, 2015

Project: Skoro Building

Between: Skoro Construction, hereinafter called the "Contractor"

And: Bob Carlson, Inc, hereinafter called the "Subcontractor"

Contract Amount: \$50,629.00 (Fifty thousand six hundred twenty nine 00/100 dollars)

Project Address: 6030 SE 52nd Ave Portland, OR 97206

Work of This Contract: The Subcontractor shall furnish all labor, materials and equipment and shall perform all work necessary and to the full satisfaction of the Contractor and Owner, the work as described in the Subcontractor's proposal and in accordance with the drawings and specifications of the project for the contract amount.

Description: Furnish and Install TPO roof system

Inclusions: Firestone 60 mil white TPO mechanically attached
FR-10 fire retardant slip sheet over plywood
Fully tapered insulation EPS
TPO coated clad metal flashing
TPO accessories
15 year manufacturer's NDL warranty

Project Documents: Allusa Architecture Plans

Sheet A0.0 Cover Sheet
Sheet A0.1 Site Plan & Details
Sheet A0.2 Site Plan & Details
Sheet A1.1 Plaza & Stormwater Details
Sheet A2.0 First Floor Plan
Sheet A2.1 Second Floor Framing
Sheet A3.0 Second Floor Plan
Sheet A3.1 Roof Framing Plan
Sheet A4.0 Roof Framing Plan
Sheet A5.0 Elevations
Sheet A5.1 Elevations
Sheet A6.0 Sections
Sheet A6.1 Sections
Sheet A7.0 Interior Elevations & Details

Exclusions: Window and door flashing, Plywood/framing, Tear off, Electrical, Plumbing, Interior protection Permits

EXHIBIT 1
PAGE 1 OF 8

Attachments:

1) General Provisions

- a) **Contract Documents.** The Contract Documents are enumerated in the contract between the Contractor and the Subcontractor that references and incorporates this Subcontract General Terms and Conditions.
 - b) **Defined Terms.** The terms "Agreement," "Contract Price," "Contract Documents," "Owner," "Project," and "Work" have the meaning used in the contract between the Contractor and the Subcontractor that references and incorporates this Subcontract General Terms and Conditions.
 - c) **Description and Scope of Work.** Subcontractor agrees to perform and complete the Work at the Project. Subcontractor agrees to perform and complete the Work in accordance with the Contract Documents for the Project and under the general direction of Contractor in accordance with Contractor's schedule. Nothing in the Contract Documents shall be construed to create a contractual relationship between persons or entities other than the Contractor and Subcontractor.
 - d) **Contract Price.** The Contractor shall pay the Contract Price to the Subcontractor for the satisfactory performance of the Work.
 - e) **Payment Terms.** The Subcontractor's applications for payment must be submitted to our office by the 20th of each month to be paid by the 10th day of the following month and shall be itemized and supported by substantiating data.
 - i). In consideration of all the covenants and conditions of the Contract Documents and the full, faithful, and prompt performance of all the terms and conditions of the Contract Documents, Contractor agrees to pay Subcontractor the Contract Price out of funds received from Owner for the Work performed by Subcontractor, and Subcontractor agrees to receive and accept the Contract Price as full compensation for doing all things required to complete the Work to the satisfaction of Owner, including all taxes.
 - ii) Payment will be made to Subcontractor for the amount of the Work actually performed and completed, as measured and certified to by Owner or its representative, which shall be accepted by Subcontractor as full compensation for furnishing all materials and for doing all work contemplated and embraced in the Contract Documents. If Subcontractor fails to invoice or otherwise indicate its contention as to the value of such work by a date five days in advance of the monthly date set forth Section 1, E. above, Contractor may estimate the value thereof.
 - iii) In the event Subcontractor falls behind schedule due to cause of Subcontractor and Subcontractor does not take action necessary to place the job back on schedule, Contractor may withhold payments due or portions of payments until Subcontractor has placed the project back on schedule.
 - iv) The determination made by Contractor of quantities of the Work performed and to be paid for shall be binding and conclusive, and shall conclusively establish the amount of the Work done by Subcontractor. No compensation shall be paid Subcontractor for work not approved, accepted, and paid for by Contractor, and Subcontractor will make no claims against Contractor based on any estimates or calculations other than those made by Owner and for which payment has been made by Owner to Contractor. It is specifically agreed that Contractor's actual receipt of payment from Owner for Subcontractor's Work is a necessary condition precedent to all partial and final payments by Contractor to Subcontractor.
 - v) On the completion and acceptance of the Project and payment therefor in full by Owner, Subcontractor shall be paid the remaining amount due Subcontractor under the Contract Documents. All prior payments shall be subject to correction in the final payment. Final payment as herein provided shall release Contractor from any further obligation whatsoever in respect to the Contract Documents. Subcontractor shall, as a condition precedent to final payment, execute and deliver to Contractor a full and valid release and complete discharge of and from any and all claims and demands whatsoever for all matters arising out of, or in any manner connected with or founded on, the Contract Documents, the Work, or the Project.
- 2) **Schedule of Work.** Time is of the essence. The Contractor shall have the right to decide the time, order and priority in which the various portions of the Work (together, the "Schedule of Work") shall be performed and all other matters relative to the timely and orderly conduct of the Work. The Contractor will provide a written Schedule of Work to Subcontractor at the notice address shown herein via U.S. Postal Service. The commencement of Work shall constitute Subcontractor's acceptance of all starting points necessary for the completion of work. Subcontractor shall proceed with work from these points.
 - 3) **Changes.** Without nullifying this Agreement, Contractor may order changes in writing; and Subcontractor shall make any and all changes in the Work. Adjustment in the Contract Price or the Subcontractor's time, if any, resulting from such change shall be set forth in a Subcontractor's Change Order. No such adjustments shall be made for any such changes performed by Subcontractor that

have not been ordered or authorized by Contractor.

4) Subcontractor's Responsibility. In addition to other obligations contained herein, subcontractor agrees to the following:

- a) **Duty to Be Bound.** Subcontractor agrees to be bound by the terms of the general or prime contract between the Owner and Contractor, construction regulations, general conditions, plans and specifications, and any and all other contract documents, if any exist, insofar as applicable to this Agreement, and that portion of the Work herein described to be performed by Subcontractor.
 - i) **Schedule Changes.** The Subcontractor recognizes that changes will occur in the Schedule of Work and agrees to comply with such changes.
 - ii) **Lower-Tier Subcontractors Bound.** The Subcontractor agrees to bind lower-tier subcontractors to the terms of the Contract Documents and shall make available to its lower-tier subcontractors those Contract Documents which are binding on the lower-tier subcontractors.
- b) **Workmanship.** Every part of Subcontractor's Work shall be executed in strict compliance with the Contract Documents in the most sound, workmanlike and substantial manner. All materials used in the Subcontractor's Work shall be furnished in ample quantities to facilitate the proper and expeditious execution of the Work, and shall be new except such as may be expressly provided in the Contract Documents to be otherwise.
- c) **Labor and Materials.** Subcontractor shall furnish all the labor, materials, equipment and services, including, but not limited to, competent supervision, shop drawings, samples, tools, and scaffolding as are necessary for the proper performance of the Work. All items provided by Subcontractor shall meet OSHA requirements.
- d) **List of Lower-Tier Subcontractors and Suppliers.** Subcontractor shall provide a list of proposed lower-tier Subcontractors and Suppliers, be responsible for taking field dimensions, providing tests, ordering materials and all other actions as required to meet the scheduled work.
- e) **Prevailing Wage Rates.** If prevailing wage rates are required on the Project, Subcontractors will comply with that requirement and will provide certified payroll sheets at all times required by Contractor. Subcontractor will also be adequately bonded with regard to prevailing wage if required.
- f) **Cooperation and Coordination.** Subcontractors shall cooperate with Contractor and all others whose work may interfere with the Work, specifically not and immediately advise Contractor of any such interference with the Work; and participate in the preparation of coordination drawings and work schedules in areas of congestion.
- g) **Assignment of Subcontractor's Rights - Manufacturer's Warranties.** Subcontractor assigns to Owner and/or Contractor all of Subcontractor's rights relating to manufacturer's warranties in items installed in the Project, the design, designer, engineer or engineering used in relation to the Project. Contractor and/or Owner assume no liability with regard to those individuals or companies retained by Subcontractor.
- h) **Clean-up and Waste Materials.** Subcontractor shall provide clean-up and removal of all waste materials and rubbish and agrees to maintain the project site in an orderly condition during the construction period. Upon completion, Subcontractor shall remove all the Subcontractor's materials and equipment and shall leave the project site in a neat and clean condition.
- i) **Inspections.** Subcontractor shall notify Contractor when portions of the Work are ready for inspection. The Subcontractor shall at all times furnish Contractor and its representatives adequate facilities for inspecting materials, at the site or any place where materials under the Contract Documents may be in the course of preparation, process, manufactured or treatment.
- j) **Protection of the Work.** Subcontractor shall maintain a safe work site for its employees. Subcontractor shall take all necessary precautions to properly protect the Work and the work of others from damage caused by the Subcontractor's Operations. Should the Subcontractor cause damage to the Work or property of another, the Contractor, or others, the Subcontractor shall promptly remedy such damage to the satisfaction of the Contractor, or the Contractor may so remedy and deduct the cost thereof from any amounts due or to become due to the Subcontractor.
- k) **Permits, Fees and Licenses.** Subcontractor shall give adequate notices to authorities pertaining to Subcontractor's work and secure and pay for all permits, fees, licenses, assessments, inspections and taxes necessary to complete the Work in accordance with the Contract Documents. To the extent obtained by the Contractor under the Contract Documents, the Subcontractor shall be compensated for additional costs resulting from laws, ordinances, rules, regulations and taxes enacted after the date of the Agreement. The Subcontractor warrants it shall keep its license required by the Construction Contractors Board ("CCB License") in effect throughout the duration of this Agreement.
- l) **Subcontractor's Bond.** The Subcontractor shall furnish to the Contractor, as the named Obligor, appropriate surety bonds to secure the faithful performance of the Subcontract Work and to satisfy all Subcontractor payment obligations related to the Subcontract Work. Such bonds shall be issued by a surety admitted in Oregon and shall be acceptable to the Contractor, which acceptance shall not be withheld without reasonable cause.

EXHIBIT 1

- m) **Warranty.** Subcontractor guarantees and warrants its Work against all deficiencies and defects in material and/or workmanship and as called for in the Contract Documents. Subcontractor agrees to immediately satisfy such guaranty and warranty obligations which appear within the guaranty and warranty period established in the Contract Documents without cost to the Owner or Contractor. If no warranty is required of the Contractor in the Contract Documents, then the Subcontractor shall warrant its work as described above for the period of one year from the date(s) of substantial completion of all or a designated portion of the Subcontractor's Work or acceptance or use by the Contractor or Owner of designated equipment, whichever is sooner. The Subcontractor further agrees to execute any special warranties that shall be required for the Work prior to final payment.
- n) **Alcoholic Beverages, Drugs and Animals.** Subcontractor shall not have any alcoholic beverages, controlled substances, or animals on the Project at anytime. Subcontractor shall not play radios or music without Contractor's consent.
- o) **No Smoking.** Subcontractor shall not allow smoking on any portion of the Project and shall not allow debris from Smoking to be left on or near the property.
- p) **Safety.** The Subcontractor is responsible to prevent accidents on or in the vicinity of the Project. Subcontractor shall establish a safety program implementing safety measures, policies and standards conforming to those required by governmental/quasi-governmental authorities having jurisdiction. Subcontractor shall supply its employees with an OSHA approved first aid kit and shall be responsible for dispensing first aid supplies. Subcontractor shall pay all fines and penalties assessed against Contractor for Subcontractor's failure to meet all OSHA or other governmental rules or regulations. Contractor's failure to stop Subcontractor's unsafe practices shall not relieve Subcontractor from responsibility hereunder. Subcontractor shall indemnify Contractor for fines, damages or expenses incurred by the Contractor because of the Subcontractor's failure to comply with safety requirements without Contractor's consent.
- q) **Materials Safety.** To the extent that the Contractor is not obligated by the Contract Documents or by law to perform work which involves pollutants, hazardous or toxic substances, hazardous waste, asbestos or PCB's, the Subcontractor likewise is not obligated. To the extent the Contractor has obligations under the Contract Documents or by law regarding such materials within the scope of the Subcontractor's work, the Subcontractor likewise shall have the same obligations.
- r) **Subcontractor Assignment of Work.** The Subcontractor shall not assign the whole nor any part of the Subcontractor's Work without prior written approval of the Contractor. The Contractor's approval shall not be unreasonably withheld. Lower tier subcontractors and suppliers previously approved by the Contractor may be approved in advance by the Contractor upon submission by the Subcontractor in writing of a list of lower tier subcontractors and suppliers to Contractor that is signed and dated by the Contractor.
- s) **Subcontractor's Tax ID; W-9.** The Subcontractor shall provide the Contractor a completed IRS Form W-9 within 15 days of the execution of the Agreement. The Subcontractor shall provide the Contractor an updated Form W-9 within 15 days of a change of any information required by Form W-9.
- 5) **Independent Contractor - Worker's Compensation Insurance.** The Owner and/or Contractor are not employers of any person working on the project who is working at the request of the Subcontractor; the contract is between Contractor and Subcontractor, and Subcontractor certifies that it is an independent contractor. Worker's Compensation Insurance (or the equivalent) in full compliance with the laws of the State of Oregon and/or in the State where work is being done will be provided for all workers employed by the Subcontractor by the Subcontractor on the project; or, in the alternative, Subcontractor will contract with independent contractors. Subcontractor's Compensation Insurance shall be in the form or amount adequate to comply with the rules and laws of the State of Oregon and/or the State of employment. The Worker's Compensation policy shall contain endorsements providing (1) waiver of subrogation in favor of Contractor and Project Owner, where allowed by law, and (2) thirty (30) days written notice to Contractor in the event of cancellation or material reduction in coverage.
- 6) **General Liability Insurance.** Prior to the start of Subcontractor's Work, Subcontractor shall procure Comprehensive General Liability Insurance including completed operations on an Occurrence Basis with a \$1,000,000 Each Occurrence and \$2,000,000 Aggregate. Commercial General Liability Insurance shall be procured with a \$1,000,000 Each Occurrence, \$2,000,000 General Aggregate, \$2,000,000 Products/Completed Operations Aggregate and \$1,000,000 Personal and Advertising Injury Limit. Professional Liability Insurance shall be procured with \$1,000,000 Each Occurrence and \$2,000,000 General Aggregate. Pollution Liability Insurance shall be procured with \$1,000,000 Each Occurrence and \$2,000,000. Excess or Umbrella Liability Insurance shall be procured with a \$3,000,000 limit. The Subcontractor shall provide a certificate of such coverage to the Contractor. General Liability Insurance shall be written with an insurance carrier that is rated by A.M. Best's Ratings as A- or better and licensed to do business in the State where work is being done by Subcontractor. A list of all exclusions and/or limitations of coverage pertaining to the work being done including the ISO form numbers shall be provided on the certificate. If the exclusion is not a standard ISO form, but rather a specific company form, a copy of this exclusion must be attached to the certificate. Subcontractor must also name Contractor as additional insured and attach an ISO Form CG 20-10 (1/85) edition or CG-20-37 (10/01) or its equivalent. Subcontractor's work and policy shall provide a Waiver of Subrogation and be based on a Primary and Non-Contributory basis in favor of the Contractor. The certificate shall specify that 30 days written notice will be provided in the event of cancellation or material reduction in coverage. Claims Made or Modified Occurrence coverage is not acceptable. Subcontractor agrees and understands that it is the subcontractor's sole responsibility to deliver proper said additional insured endorsements or their insurance company's equivalent of said forms from their insurance agent or representative to Contractor prior to commencing work.

- 7) **Business Auto Liability Insurance.** In addition to other insurance requirements contained in this Agreement, Subcontractor shall prior to start of Subcontractor's Work procure a Business Comprehensive Automobile Liability Insurance policy with limits of not less than \$1,000,000. Each Occurrence Combined Single Bodily Injury and Property Damage including owned, hired, borrowed and non-owned automobiles. Subcontractor shall provide a certificate for such coverage to Contractor which shall specify that 30 days written notice will be provided in the event of cancellation or material reduction in coverage.
- 8) **Cancellation, Renewal or Modification.** The Subcontractor shall maintain in effect all insurance coverage required under this Agreement at the Subcontractor's sole expense and with insurance companies acceptable to the Contractor. All insurance policies shall contain a provision that required policies shall not be cancelled or neither renewed, nor restrictive modifications added, until at least thirty (30) days prior written notice has been given to the Contractor. Certificate of Insurance or certified copies of policies acceptable to the Contractor shall be filed with the Contractor prior to the commencement of the Subcontractor's Work.
- 9) **Failure to Provide Insurance.** If Subcontractor fails to purchase and maintain any insurance specified in this Agreement, Contractor shall have the right, but not the obligation, to purchase such insurance on the Subcontractor's behalf and at Subcontractor's cost.
- 10) **Correcting Deficiencies.** Assuming that the Contract Documents do not provide otherwise, any deficiencies in workmanship or materials shall be immediately corrected in accordance with those performance standards and responsibilities currently used in the State of Oregon and/or the State in which the Project is located at the time this Agreement is signed. In the event of defects or damage of an emergency nature (i.e. water leakage or other defects which may lead to further damage if not promptly corrected) telephone notice to correct these deficiencies shall be deemed sufficient. All other deficiencies shall be delivered in writing to the Subcontractor by U.S. Mail, personal delivery, facsimile or email.
- 11) **Undiscovered Conditions/Environmental Hazards.** Unless otherwise disclosed, Contractor has no knowledge of any possible adverse environmental conditions affecting the real property herein, nor are any suspected. Contractor makes no warranties as to the condition of the real property herein, or any existing structures. In instances where undiscovered conditions or hazardous substances may be discovered during construction, progress of the improvement shall stop for whatever evaluation, determination, or correction process may be required by building or environmental laws in effect at that time.
- 12) **Notice to Cure.** If Subcontractor refuses or fails to supply enough properly skilled workers, proper materials, or maintain the Schedule of Work, or if it fails to make prompt payment for its workers, lower tier subcontractors or suppliers, disregards laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, or otherwise is guilty of a material breach of a provision of this Agreement, Subcontractor shall be deemed to be in default of this Agreement. If the Subcontractor fails within forty-eight hours after receipt of written notice to commence and continue satisfactory correction of such default with diligence and promptness, then the Contractor without prejudice to any rights or remedies, shall have the right to any or all of the following remedies:
 - a) Supply such number of workers and quantity of materials, equipment and other facilities as Contractor deems necessary for the completion of Subcontractor's Work, or any part thereof which Subcontractor has failed to complete or perform after the aforesaid notice, and charge the cost thereof to Subcontractor, who shall be liable for the payment of same, including reasonable overhead, profit and attorney's fees, costs and expenses;
 - b) Contract with one or more additional contractors, to perform such part of Subcontractor's Work as the Contractor shall determine will provide the most expeditious completion of the total work and charge the cost thereof to the Subcontractor under Section 12A; or
 - c) Withhold payment of any monies due the Subcontractor pending corrective action in amounts sufficient to cover losses and compel performance to the extent required by and to the satisfaction of the Contractor; and
 - d) In the event of an emergency affecting the safety of persons or property, the Contractor may proceed as above without notice.
- 13) **Termination by Contractor.** If Subcontractor fails to commence and satisfactorily continue correction of a default within forty-eight (48) hours after receiving notice, then Contractor may in lieu of or in addition to actions allowed herein, issue written notice by certified mail, to Subcontractor. Such notice shall state that if Subcontractor fails to commence and continue correction of a default within forty-eight (48) hours from the date of notice, the Agreement deemed terminated and Contractor may use any materials, implements, equipment, appliances or tools furnished by or belonging to Subcontractor to complete Subcontractor's Work. Contractor may also furnish those materials, equipment and/or employ such workers or subcontractors as Contractor deems necessary to maintain the orderly progress of the Work. All of the costs incurred by Contractor in so performing the Subcontractor's Work, including reasonable overhead, profit and attorney fees, shall be deducted from any monies due or to become due Subcontractor. Subcontractor shall be liable for the payment of any amount by which such expense may exceed the unpaid balance of the subcontract price.
- a) **Use of Subcontractor's Equipment.** If the Contractor performs Work under this Section or subcontracts such Work, the Contractor or the other subcontractors shall have the right to take and use any materials, implements, equipment, appliance or tools furnished by, or belonging to the Subcontractor and located at the Project site.

EXHIBIT 1
PAGE 5 OF 8

b) Bankruptcy.

- i) **Termination Absent Cure.** If Subcontractor files a petition under the Bankruptcy Code, the Agreement shall terminate if the Subcontractor or the Subcontractor's trustee rejects the Agreement or, if there has been a default, the Subcontractor is unable to give adequate assurance that the Subcontractor will perform as required by this Agreement or otherwise is unable to comply with the requirements for assuming this Agreement under the applicable provisions of the Bankruptcy Code.
 - ii) **Interim Remedies.** If the Subcontractor is not performing in accordance with the Schedule of Work at the time a petition in bankruptcy is filed, or at any subsequent time, the Contractor, while awaiting the decision of the Subcontractor or its trustee to reject or to assume this Agreement and provide adequate assurance of its ability to perform, may avail itself of such remedies under this Section as are reasonably necessary to maintain the Schedule of Work. The Contractor may offset against any sums due or to become due the Subcontractor all costs incurred in pursuing any of the remedies provided including, but not limited to, reasonable overhead, profit and attorney's fees. The Subcontractor shall be liable for the payment of any amount by which costs incurred may exceed the unpaid balance of the Subcontract amount.
- 14) **Suspension by Owner.** Should the Owner suspend its contract with the Contractor or any part which includes the Subcontractor's Work, Contractor shall so notify Subcontractor in writing and Subcontractor shall immediately suspend Subcontractor's Work. In the event of such Owner suspension, Contractor's liability to Subcontractor is limited to the extent of Contractor's recovery on the Subcontractor's behalf under the Contract Documents. Contractor agrees to cooperate with the Subcontractor, at Subcontractor's expense, in the prosecution of any Subcontractor claim arising out of an Owner suspension and to permit Subcontractor to prosecute said claim in the name of Contractor, for the use and benefit of Subcontractor.
- 15) **Termination by Owner.** Should Owner terminate its contract with the Contractor or any part which includes the Subcontractor's Work, Contractor shall notify Subcontractor in writing and this Agreement shall be terminated and Subcontractor shall immediately stop Subcontractor's Work, follow all Contractor's instructions, and mitigate all costs. In the event of such Owner termination, Contractor's liability to Subcontractor is limited to the extent of the Contractor's recovery on Subcontractor's behalf under the Contract Documents.
- 16) **Suspension by Contractor.** Contractor may order Subcontractor in writing to suspend, delay or interrupt all or any part of Subcontractor's Work for such period of time as may be determined to be appropriate for the convenience of Contractor. Phased or interrupted Work when required shall not be deemed a suspension of Work. Subcontractor shall notify Contractor in writing within ten (10) working days after receipt of Contractor's order of the effect of such order upon Subcontractor's Work, and the Contract Price or Schedule of Work. The parties shall adjust the Contract Price or time for performance using a Subcontract Change Order. No claim under this provision shall be allowed for any costs incurred more than ten working days prior to Subcontractor's notice to the Contractor. Neither the Contract Price nor the Schedule of Work shall be adjusted under this provision for any suspension, delay or interruption to the extent that performance would have been so suspended, delayed, or interrupted by the fault or negligence of Subcontractor.
- 17) **Indemnification.** To the fullest extent permitted by law, Subcontractor shall indemnify and defend (at Subcontractor's sole cost and expense and with legal counsel approved by Contractor and/or Project Owner, which approval shall not be unreasonably withheld), protect and hold harmless Contractor and/or Project Owner, all subsidiaries, divisions and affiliate companies of Contractor and/or Project Owner, and all of such parties, representatives, partners, designees, officers, directors, shareholders, employees, consultants, agents, successors and assigns, and any lender of Owner with an interest in the project (collectively, "Indemnified Parties"), from and against any all claims (including, without limitation, claims for bodily injury, sickness, disease, death or damage to property), demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs, and all other professional, expert or consultant's fees and costs and/or Project Owner's general and administrative expenses of every kind and nature whatsoever (individually, a "Claim"; collectively, "Claims") which may arise from or in any manner relate (directly or indirectly) to any work performed or services provided under this Agreement (including without limitation, defects in workmanship or materials and/or design defects (if the design originated with Subcontractor) or Subcontractor's presence or activities conducted on the Project (including, without limitation, the negligent and/or willful acts, errors and/or omissions of Subcontractor, its principals, officers, agents, employees, vendors, suppliers, consultants, subcontractors, anyone employed directly or indirectly by any of them or for whose acts they may be liable or any or all of them); regardless of any active or passive negligence or strict liability of an Indemnified party. Subcontractor understands and acknowledges that the indemnification obligation hereunder is intended to constitute a specific indemnity under the laws of the State of Oregon or the State where work is being done and includes claims arising from active or passive negligence of Indemnified Parties. Notwithstanding the foregoing, nothing herein shall be construed to require Subcontractor to indemnify the Indemnified Parties from any claim arising from the sole negligence or willful misconduct of the Indemnified Parties. The indemnification obligation under this Section shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Subcontractor under worker's compensation acts, disability benefit acts or other employee benefit acts.
- 18) **Duty to Defend.** The duty to defend hereunder is wholly independent of and separate from the duty to indemnify and such duty to defend exists regardless of any ultimate liability of Subcontractor. Such defense obligation shall arise immediately upon presentation of a Claim by any party and written notice of such Claim being provided to Subcontractor. Payments to Subcontractor by any Indemnified Party or the payment or advance of defense costs by any Indemnified party shall not be a condition precedent to enforcing such Indemnified Party's rights to indemnification hereunder. Subcontractor's indemnification obligation hereunder shall survive the expiration or earlier termination of this Agreement until such time as action against the Indemnified Parties for any such

EXHIBIT 1

claim hereunder is fully and finally barred by the applicable statute of limitations or statute of repose. Subcontractor's liability for indemnification hereunder is in addition to any liability Subcontractor may have to Contractor and/or Owner for a breach by Subcontractor of any of the provisions of this Agreement. Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit Subcontractor's indemnification limitation obligation or other liability hereunder. The terms of this Agreement are contractual and the result of negotiation between the parties hereto. Accordingly, any rule of construction of contracts that ambiguities are to be construed against the drafting party shall be employed in the interpretation of this Agreement.

- 19) **Compliance of Laws.** Subcontractor agrees to be bound by, and at its own cost, comply with all federal, state and local laws, ordinances, and regulations (hereinafter collectively referred to as "laws") applicable to Subcontractor's Work, including but not limited to equal employment opportunity, minority business enterprise, women's business enterprise, disadvantaged business enterprise, safety, and all other laws with which the Contractor must comply according to the Contract Documents. Subcontractor shall be liable to Contractor and Owner for all loss, cost and expense attributable to any acts of commission or omission by Subcontractor, its employees and agents resulting from the failure to comply therewith, including but not limited to any fines, penalties or corrective measures.
- 20) **Contract Interpretation.**
- a) The Contract Documents shall be governed by the laws of the State of Oregon.
 - b) The partial or complete validity of any one or more provisions of the Contract Documents shall not affect the validity or continuing force and effect of any other provisions in the Contract Documents. The failure of either party hereto to insist, in any one or more instances, upon the performance of any of the terms, covenants or conditions of the Contract Documents, or to exercise any right in the Contract Documents, shall not be construed as a waiver or relinquishment of such term, covenant, condition or right as respects further performance.
 - c) The Contract Documents are solely for the benefit of the parties and represent the entire and integrated agreement between the parties and supersede all prior negotiations, representations, or agreements, either written or oral.
- 21) **Disputes.** If any dispute or difference shall arise between Contractor and Subcontractor with respect to any matter or thing arising out of, or in any way relating to the Contract Documents, Work shall not cease. Time is of the essence in the performance of the conditions of this agreement.
- 22) **Arbitration Required/Mediation First Option.** Any dispute or claim that arises out of or that relates to the Contract Documents, or to the interpretation or breach thereof, or to the existence, scope, or validity of the Contract Documents or the arbitration agreement, shall be resolved by arbitration in accordance with the then effective arbitration rules of and by filing a claim with Arbitration Service of Portland, Inc., and judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof. The parties acknowledge that mediation helps parties settle their dispute and any party may propose mediation whenever appropriate through Arbitration Service of Portland or any mediator selected by the parties. The arbitration shall take place in the County in which the subject real property is located.
- 23) **Dispute Resolution Expenses.** If this Agreement is referred to collection, placed in the hand of an attorney for collection or resolution of any dispute arising directly or indirectly hereunder, and resolved nonjudicially, the Subcontractor shall pay the Contractor's fees, including attorney fees, incurred if an action or suit is instituted to enforce any of the terms of this Agreement, or if any dispute is referred to the State regulatory board or to another administrative body, or to arbitration, the party not prevailing agrees to pay all of the prevailing party's court costs, administrative body costs, arbitration expenses, attorney fees, costs, and disbursements, including but not limited to expert witness and deposition expenses, as well as such sums, if any, that the court hearings officer, or arbitrator may adjudge reasonable as attorney fees at arbitration, administrative body hearing, trial or on appeal, in addition to all sums provided by law.
- 24) **Successors.** This Agreement is personal to the parties hereto. Neither Contractor nor Subcontractor shall assign this Agreement without the written consent of the other, and such consent shall not be unreasonably withheld. The provisions of this Agreement shall be binding upon the heirs, assignees, or other successors of the parties, and shall survive the conveyance of a deed without merger therein.

The signature of each of the Parties below indicates that Party has read and reviewed this document.

Contractor:

Skoro Construction
PO Box 38
Boring, OR 97009
Tel: 503-740-7304

Subcontractor:

Bob Carlson, Inc
PO Box 63
Hillsboro, OR 97123
503-640-3623

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By: WILLIAM S. BOUTERAS JR.

Printed Name William S. Bouteras Jr.

Title: Secretary/Treasurer

Date: 10/21/15

By: MATE SKORO

Printed Name Mate Skoro

Title: Managing Member

Date: 10/21/15

Notice to the Contractor and the Subcontractor shall be given at the above shown addresses. Notice shall be deemed received on the third day after mailing via U.S. Postal Service, upon receipt if by personal delivery and upon completion of fax if by facsimile or by email.

EXHIBIT 1
PAGE 8 OF 8



OCB 157358

January 21, 2016

Certified Mail 7015 0640 0005 1274 1937

Bob Carlson, Inc.
PO Box 63
Hillsboro, OR 97123-0063

RE: Skoro Building - 6030 SE 52nd Ave Portland, OR 97206

Dear Bob Carlson, Inc

Skoro Homes, LLC (dba Skoro Construction) intends to file a complaint against Bob Carlson, Inc. with the Oregon Construction Contractors Board to recover damages related to work on the Skoro Building - 6030 SE 52nd Ave Portland, OR 97206. This notice is given in accordance with ORS 701.133(1).

Thank You,

Mate Skoro
Skoro Homes, LLC
dba Skoro Construction
P.O. Box 38
Boring, OR 97009
mate@skorohomes.com
503-740-7304

English

Customer Service

USPS Mobile

Register / Sign in



USPS Tracking®



Customer Service ›

Have questions? We're here to help.



Get Easy Tracking Updates ›

Sign up for My USPS.

Tracking Number: 70150640000512741937

Updated Delivery Day: Thursday, February 4, 2016

Product & Tracking Information

Available Actions

Postal Product:
First-Class Mail®Features:
Certified Mail™

Return Receipt

See tracking for related item: 9590940307455196247890

DATE & TIME	STATUS OF ITEM	LOCATION
February 8, 2016, 8:04 am	Delivered, PO Box	BORING, OR 97009

Your item has been delivered and is available at a PO Box at 8:04 am on February 8, 2016 in BORING, OR 97009.

February 4, 2016, 9:26 am	Available for Pickup	BORING, OR 97009
February 4, 2016, 8:56 am	Arrived at Unit	BORING, OR 97009
February 4, 2016, 2:00 am	Departed USPS Facility	PORTLAND, OR 97220
February 3, 2016, 9:54 pm	Arrived at USPS Facility	PORTLAND, OR 97220
February 2, 2016, 4:55 pm	Departed USPS Facility	PORTLAND, OR 97208
January 27, 2016, 2:39 pm	Forwarded	HILLSBORO, OR
January 27, 2016, 1:20 pm	Forwarded	HILLSBORO, OR
January 27, 2016, 1:20 pm	Arrived at Unit	HILLSBORO, OR 97128
January 22, 2016, 10:29 pm	Arrived at USPS Facility	PORTLAND, OR 97208
January 22, 2016, 5:17 pm	Departed Post Office	BORING, OR 97009
January 22, 2016, 12:34 pm	Acceptance	BORING, OR 97009

Track Another Package

Tracking (or receipt) number



Manage Incoming Packages

Track all your packages from a dashboard.
No tracking numbers necessary.

Sign up for My USPS ›



Search or Enter a Tracking Number



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1. The first step in the process of the scientific method is to make an observation or ask a question.

2. The second step is to do background research.

3. The third step is to form a hypothesis.

4. The fourth step is to test the hypothesis by conducting an experiment.

5. The fifth step is to analyze the data and draw a conclusion.

6. The sixth step is to communicate the results.

0740

97

Bob Carlson, Inc
PO Box 63
Hillsboro, OR 97123-0063

21 FEB 1970

1917

RETURN TO SENDER
NOT IN PARAGRAPH ADDRESS
UNABLE TO FORWARD

97123015030301

RC: 97009003838 * 0928-08990-22-44

CNA SURETY

101 S Reid Street, Suite 300, Sioux Falls, SD 57103-7046

Veronica D. Paulson

Claims Counsel

Telephone (605)977-7732

Facsimile (605)977-7724

Veronica.Paulson@cna.com

May 4, 2016

RECEIVED
MAY 09 2016

Thomas J. Murphy
Scott Hookland L.L.P.
P. O. Box 23414
Tigard, OR 97281

SCOTT *HOOKLAND L.L.P.

Principal: Bob Carlson, Inc.
Surety: Western Surety Company
Obligee: State of Oregon
Bond No.: 16115546
Claim No.: 9A351225
Claimant: Skoro Homes, LLC

Dear Mr. Murphy:

The undersigned, an authorized representative of Western Surety Company hereby acknowledges receipt of your April 27, 2016 letter asserting claim on behalf of Skoro Homes, LLC.

As you are aware, the above referenced bond is conditioned such that the surety will pay amounts that are ordered by the Construction Contractors Board in accordance with ORS Chapter 701. As such, we must respectfully decline further consideration of your claim at this time until such order is received from the Construction Contractors Board.

Western Surety Company reserves all rights and defenses.

Sincerely,

Veronica Paulson

Veronica D. Paulson
Authorized Representative of
Western Surety Company

cc: Bob Carlson, Inc.

Copy to Client

5/09/16

[Signature]